

DDA 80-0781/4
ER 80-3723/1A

26 Sept 80

The Honorable Charles W. Duncan, Jr.
The Secretary of Energy
Washington, D.C. 20545

Dear Charles:

Pursuant to John Sawhill's letter to me of April 15, representatives from this Agency met with James Kelley from your Office of Regulations and Emergency Planning. The purpose of our meeting was to clarify and resolve this Agency's status under the motor gasoline allocation regulations. On 25 March I advised you of my concern for the adverse effects the recent gasoline shortage had on the Agency and of our need to ensure that a sufficient and uninterrupted supply of gasoline be available during critical shortages to carry out this Agency's mission. At that time I requested that the Central Intelligence Agency (CIA) be entitled to receive 100 percent of base period use, not subject to the suppliers' allocation fraction on the basis of our national intelligence mission.

As you are aware, this Agency must often operate in an operational environment which requires application of authorities unique to the Agency rather than following normal procedures established by statute and regulatory agencies. This authority is found in the Central Intelligence Act of 1949, as amended (50 USC 403j). I employ such extraordinary authority only after making a determination that no other course of action is available.

The Department of Energy (DOE) regulations have presented a unique situation to the operational units of this Agency. For example, in 1979 CIA was informed by fuel suppliers that they could not supply required amounts of gasoline due to DOE allocation measures. This Agency informed the suppliers that it possessed requisite authority to procure the needed supplies. Had the suppliers questioned this assertion of authority, it appears that your organization would have challenged the assertion. Clearly, such a situation must be precluded by our reaching some agreement as to how this Agency is to operate under present or modified DOE regulations that protect the essential security of CIA operations.

I am sorry to report that the meeting with the Assistant Administrator's staff did not resolve the question of this Agency's status. We were advised at that time that the Agency should request an interpretation of the DOE regulations as they apply to CIA and to determine if such interpretation would meet our Agency's requirements. If our status could not be resolved by interpretation, it was further suggested that the Agency should petition

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for a rule change to the DOE regulations. In a subsequent telephone conversation between our Assistant General Counsel and Mr. William Funk's office, we were informed that the Assistant General Counsel for Petroleum Regulation would not be sympathetic to such a request. I am, therefore, requesting that our need for priority consideration under the allocation regulations be addressed again. I am hopeful that we can look forward to a constructive and mutually agreeable solution which would assure that the Agency's status is elevated commensurate with my responsibilities to the President, the Congress, and the National Security Council.

While this Agency has an active energy conservation program and we have not experienced any difficulties in obtaining our fuel supplies in recent months, these meetings have brought into sharp focus the dilemma which the gasoline allocation system creates for the Agency. Therefore, I am most anxious to pursue this matter. As Director of Central Intelligence, I would be remiss in not correcting a situation which could in the future jeopardize my responsibility to carry out the mission of this Agency. My staff is available to meet with you or your representatives to continue these discussions at a mutually agreeable time. Thank you for your attention to this matter.

Yours,

/s/
STANSFIELD TURNER

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